

**U.S. Small Business Administration
West Virginia District Office**

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2006 Top Lenders and 2007 Small Business Award Winners Named

West Virginia's annual Small Business Week Awards banquet will be celebrated this year on Tuesday, May 15 at the Embassy Suites Hotel in Charleston. Honored will be West Virginia's Small Business Person of the Year along with nine other small business champions. Also being honored will be West Virginia's top lenders for fiscal year 2006.

Top lender honors will go to: **BB&T** as the top Large/National Bank (21 loans for \$1.8M); **First State Bank** as the top Community Bank (17 loans for \$4M) and **Innovative Bank** (63 loans for \$690K) as top CommunityExpress and overall top lender.

The 2007 Financial Services Champion for West Virginia is William D'Alesio, vice president of United Bank, Inc. located in Weirton. He was nominated by Ed Powell, business analyst for the West Virginia Small Business Development Center located in Wheeling.

Jay Reddy, chairman and CEO of ProLogic, Inc. in Fairmont, has been selected as the 2007 Small Business Person of the Year for West Virginia. A complete listing of all the award winners can be found at the end of this newsletter or at www.sba.gov/wv (Select the link to the 2007 SBW award winners under the Spotlight section.)

The top West Virginia lenders, small business award winners and champions will be honored during the annual Small Business Week awards ceremony in Charleston held in conjunction with the DreamLink conference. Cost for the banquet will be \$50. To register, contact Angela Brown at (304) 342-6972 (email: abrown@te-associates.com) or visit the conference web site at: www.godreamlink.com. Congratulations to all our Small Business Week award winners and top lenders! Mark your calendar now and join us as we honor West Virginia's top entrepreneurs, champions and lenders.



*Helping entrepreneurs start and expand
their businesses one leaf at a time!*

NOTICE: SBA Lending Web Page URL Change

The URL for SBA's Lending web page, www.sba.gov/banking, has changed: www.sba.gov/aboutsba/sbaprograms/elending/index.html. The old URL will continue to function for the immediate future. Links to the National Guaranty Purchase Center and Standard 7(a) Guaranty Loan Processing Center can be found off the SBA Electronic Lending site as well. ALSO, the West Virginia District Office has links to all three sites on our Financing page at: www.sba.gov/wv/WV_FINANCING.html as well as links to SBA Notices and other important information. Please bookmark these new URL's for the SBA's lending web page as well as the URL for the West Virginia Financing web page.

2007 Lender Volume Report

Wow, here we are, over halfway through fiscal year 2007. My, how time flies! The top lenders in each of our three categories have remained the same as our last report, but there is a change in the number one overall lender. Huntington Bank has moved to the top overall SBA lender. *Way to go Huntington Bank!* Overall, SBA guaranty lending is up over 40 percent as compared to this time last year. Thank you West Virginia lenders. The following is a breakdown of the top three lenders per category as of March 31, 2007.

Large & National Banks (more than \$500 million in assets)

1. Huntington Banks – 40 approvals for \$2.8M
2. JP Morgan Chase – 17 approvals for \$1.6M
3. BB&T – 13 approvals for \$1.6M

Community Banks (less than \$500 million in assets)

1. The First State Bank – 11 approvals for \$709K
2. First National Bank of Romney – 3 approvals for \$1.2M
3. Centra Bank, Inc. – 2 approvals for \$827K

CommunityExpress Lenders

1. Superior Financial Group – 27 approvals for \$235K

2. Innovative Bank – 13 approvals for \$225K
3. Business Loan Center – 1 approval for \$40K

For a complete rundown of all SBA lending for fiscal year 2007, visit the For SBA Lenders section on the Financing page of our web site at: www.sba.gov/wv/WV_FINANCING.html.

National Guaranty Purchase Center Letter to Lenders

The biggest challenge faced by the National Guaranty Purchase Center (NGPC) is the lack of sufficient documentation to enable the SBA to purchase the guaranty. Just as each Loan Authorization is tailored to the specific loan purpose, so too is the documentation needed to analyze and authorize the honoring of the guaranty.

Over the past two years that the NGPC has been processing guaranty purchases, our reject rate for purchase packages has remained around 75-80%. Within this range are packages that may need one or two items while others are comprised of only a Demand Letter and Wiring Instructions. In every case it is necessary for SBA staff to contact the lender by phone, fax or email and request additional documentation. This process has slowed down the overall processing times for ALL packages submitted for purchase.

Recently, the NGPC has reevaluated the entire guaranty purchase process and has made major improvements in its procedures. Briefly, the Center will have processing teams that will be focused on those packages that are essentially complete upon arrival. Those that cannot be immediately assigned to the Processing Teams will be returned with instructions to allow for them to be reassembled. In an effort to make this transition as easy as possible, the NGPC has rethought the basic procedures for purchase package assembly. In addition to the standard [checklist](#) outlining the items required for purchase, the SBA has developed [self-guided tabs](#) to make the compilation of documents much easier. The [Checklist](#) and [Tabs](#) will be available on the [NGPC website](#) and through our district offices. In addition, if the [Tabs](#) are viewed on the [website](#), they will contain links to the [Forms library](#) which contains copies of all forms

needed in the guaranty purchase process. In addition, the website will maintain a detailed [Tutorial](#) with voice over sound that will explain the documents that may be required to complete the guaranty purchase process.

Over the next 30 days, the SBA will be sending emails to approximately 15,000 lending partners outlining the new procedures being put into place at the National Guaranty Purchase Center. In addition, training materials will be distributed to our district office personnel so they can also assist with the transition and be an additional resource to the 7(a) lending community. The National Guaranty Purchase Center web site (<http://www.sba.gov/aboutsba/sbaprograms/ending/ngpc/index.html>) will also contain links to the new [Tabs](#) as well as the [Checklist](#) and the [Tutorial](#). All these steps are being taken to dramatically improve the customer service offered by the NGPC as well as decrease the time required to process and approve guaranty purchase requests.

We thank you in advance for your cooperation and promise to continue to strive to meet your expectations.

To keep lenders and resource partners informed of current newsworthy items, we have created a "For SBA Lenders Only" area on the financing section of the West Virginia SBA web page. For access, go to www.sba.gov/wv/WV_WVFINANCING.html.

If you would like to see additional items in this area please let us know. Contact Dave Manley (304-623-5631 ext. 231 – email: david.manley@sba.gov) with your recommendations.

Updated 7(a) Authorization Boilerplate and Wizard

SBA Information Notice 5000-1016 announced the release of Version 2007.1 of the National 7(a) Authorization Boilerplate and Wizard. This version will replace Version 2007.

Version 2007.1 will be available to Lenders after April 5, 2007. Visit the SBA banking website at <http://www.sba.gov/aboutsba/sbaprograms/ending/index.html> for the new version (can be

found under the Authorizations link on the right side of the page). Lenders will have until April 30, 2007 to convert to the new version.

Questions regarding the 7(a) Authorization can be emailed to: Auth-7a@sba.gov.

SBAExpress

Has your bank applied to be a SBAExpress lender yet? Don't miss this great opportunity to get a 50 percent guarantee from the SBA, use your own loan procedures, mostly your own forms, and your own collateral policy (for loans up to \$150,000). SBAExpress maximum loan amounts can be up to \$350,000.



With SBAExpress, you can make revolving lines of credit and collateral is not required for loans under \$25,000. For more information, contact David Manley (david.manley@sba.gov) at (304) 623-5631 ext. 231.

Credit Scoring Can Increase Access To Credit

The introduction of credit scoring by banks for small business loans may help increase small businesses' access to credit, according to a study released by the Office of Advocacy of the U.S. Small Business Administration. The report also found that relationships continue to be the dominant factor in banks' decisions to lend to small businesses.

Written by Drs. Charles and Adrian Cowen, with funding from the Office of Advocacy, A *Survey Based Assessment of Financial Institution Use of Credit Scoring for Small Business Lending*, shows that banks, particularly those in urban areas, are moving towards the use of both owner and business credit scoring as a key metric in the small business loan decision.

A copy of this report can be obtained at www.sba.gov/advo/research/rs283tot.pdf, and the research summary at www.sba.gov/advo/research/rs283.pdf. Should you need further information, please feel free to contact Charles Ou at (202) 205-6533 or via email at advocacy@sba.gov.

Colson Services 504 Department has relocated. The new address is:

101 Barclay Street
8th Floor East
New York, NY 10286

Toll Free Number: (800) 225-4285

Lender Window Decals Available

Lender window decals are available for West Virginia's SBA Preferred (PLP) and SBAExpress Lenders.

Preferred lenders are nominated based on their historical record with SBA. They must have demonstrated a proficiency in processing and servicing SBA guaranteed loans.

A lender may be eligible to participate in SBAExpress if it:

- Currently participates with SBA and meets certain portfolio performance standards. There are no SBA loan-volume requirements; or
- Is a non-SBA lender that currently makes a reasonable number of commercial loans of \$50,000 or less that generally follow SBA size standards, use of proceeds, type of business and availability of funds.

To get your window decal, please email Naomi Bassel at Naomi.bassel@sba.gov with the following information: number of decals needed, which type of decal (Preferred and/or Express), contact name, and address.

Upcoming Lender Training

The following schedule is a listing of upcoming lender training sessions being held in West Virginia and hosted by the West Virginia Small Business Development Center. These sessions will



consist of instruction on SBA loan programs, including 7(a), SBAExpress and 504, and the services provided by the Small Business Development Center. It is a great opportunity for both new and experienced SBA lenders to learn about SBA lending procedures. It is also an excellent forum to receive answers regarding SBA policies and procedures as well.

April 26 – Wheeling – call (304) 233-5900 ext. 4355 for information and to register.

May 8 – Parkersburg – call (304) 424-8391 for information and to register.

Top Ten 7(a) Centralized Loan Guaranty Processing Center Screen Out Reasons

1. Repayment ability not demonstrated.
2. Lease terms shorter than loan terms.
3. Not pledging adequate available collateral.
4. Lack of Affiliate Information.
5. Personal resources test.
6. Incomplete SBA Form 4
7. Lack of Proforma Balance Sheet.
8. Business structure not indicated.
9. Franchise not sent prior or with application.
10. No SBA Form 4-i.

Reasons you and your customers need SBA:

- Risk reduction for lenders
- Loan support for small business
- Longer repayment terms
- Smaller installments for larger loan amounts

Continue using SBA guaranty programs:

- 7(a)
- SBAExpress
- CAPLine
- 504 Debenture

Remember – Your West Virginia SBA District Office is here for your support and assistance!

2007 Small Business & Champion Award Winners

2007 West Virginia Small Business Person of the Year

Jay Reddy, Chairman/CEO
ProLogic, Inc
Fairmont, WV

Nominated by: Tammy Ollila, Vice President
Northern WV NCMA

2007 West Virginia Financial Services Champion of the Year

William D'Alesio, Vice President
United Bank, Inc.
Weirton, WV

Nominated by: Ed Powell, Business Analyst
WV Northern Community College SBDC

2007 West Virginia Home-based Business Champion of the Year

Jason S. Lynch, Owner
E.G. Bear Company
Friendly, WV

Nominated by: Ross Mason

2007 West Virginia Jeffrey-Butland Family-Owned Business of the Year

Bradford L. Sims, President
United Talent, LLC
Charleston, WV

Nominated by: Gayle Vest, Managing Director
Advantage Valley, Inc.

2007 West Virginia Minority Small Business Champion of the Year

Minister Dorothy M. Roman, Manager
Mission Outpost Bookstore
Martinsburg, WV

Nominated by: Christina Lundberg, Ctr. Manager
SBDC of Blue Ridge CTC

2007 West Virginia SBA Young Entrepreneur of the Year

Blaine Richards, Jr., Owner
The Game Exchange
Morgantown, WV

Nominated by: Lindsay Richards

2007 Small Business Exporter of the Year

Joseph H. Lillard, Jr., President
Washington Homeopathic Products
Berkeley Springs, WV

Nominated by: Misty Householder, Marketing Mgr.
Washington Homeopathic Products

2007 West Virginia and Region III Small Business

Journalist of the Year

Jack R. Bailey, Editor
WV Inc. Magazine
Charleston, WV

Nominated by: Gayle Vest, Managing Director
Advantage Valley, Inc.

2007 West Virginia Veteran Small Business Champion of the Year

David H. Ranck, Veterans Employment Rep.
WORKFORCE West Virginia – Region VII
Martinsburg, WV

Nominated by: Christina Lundberg, Center Manager
SBDC of Blue Ridge CTC;
Beth Ludewig, Ctr. Manager
Eastern WV CTC SBDC

2007 West Virginia Women in Business Champion of the Year

Geni Astorg, Owner
A Woman's View
Parkersburg, WV

Nominated by: Greg Hill, Center Manager
WVU Parkersburg SBDC



KEY SBA INFORMATION

Maximum Guaranty Percentages

Regular 7(a) loans of \$150,000 or less	85%	SBAExpress (\$350,000 maximum)	50%
Regular 7(a) loans greater than \$150,000	75%	SBA ExportExpress (\$350,000)	85/75%
Export Working Capital Program		90%	

Guaranty Fees on loans exceeding 12 months in maturity. The Lender pays the fee and may pass it on to the borrower after first disbursement.

	<i>Based on SBA Guaranteed Portion</i>	<i>Based on Total Loan with Standard SBA Guarantees</i>	<i>Based on Total Loan with Express</i>
Loans of \$150,000 or less (Lender may keep .25% of fee)	2.00%	1.70%	1.0%
Loans between \$150,001 & \$700,000	3.00%	2.25%	1.5%
Loans greater than \$700,000	3.50%	2.625%	n.a.

Loans with a guaranteed portion in excess of \$1 million add an additional **.25%** guaranty fee on that portion.

The guaranty fee on a \$2,000,000 SBA loan is now \$53,750 with term > 1 year; \$23,750 ≤ 1 year.

Guaranty Fee on all loans up to 12 months in maturity is only .25%, but must be submitted with the application

Lender Annual Service Fee: .55% of the outstanding balance of the SBA guaranteed portion of the loan. The fee is prorated and submitted monthly with your 1502 report (See Colson Services below for contact information). This fee may not be passed on to the borrower.

Interest Rate Limits

Term less than 7 years	WSJ Prime + 2.25%
Term of 7 years or more	WSJ Prime + 2.75%

Loan of \$25,000 or less	May add 2%
Loan of \$25,001 to \$50,000	May add 1%

SBAExpress limits are:

Prime rate + 4.5% for loans over \$50,000

Prime rate + 6.5% for loans of \$50,000 or less

West Virginia District Office Finance Division Staff

	Telephone	Individual Fax	e-mail addresses
David Manley	(304) 623-5631, ext 231	(202) 481-2617	david.manley@sba.gov
Naomi Bassel	(304) 623-5631, ext 225	(202) 481-4718	naomi.bassel@sba.gov

Key Web Sites

SBA Lender Homepage	www.sba.gov/aboutsba/sbaprograms/elending/index.html
West Virginia District Office Homepage	www.sba.gov/wv/
SIC, NAICS codes and Size Standards	https://eweb1.sba.gov/naics
Franchise Registry Homepage	www.franchiseregistry.com/registry/
Immigration and Naturalization	www.uscis.gov
Exporting	www.export.gov

Important Addresses

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320 West Pike Street, Suite 330
Clarksburg, WV 26301
(304) 623-5631
Fax (304) 623-0023

Charleston Branch Office
405 Capitol Street, Suite 412
Charleston, WV 25301
(304) 347-5220
Fax (304) 347-5350

Guaranty Fee Payments
Small Business Administration
Denver, CO 80259-0001

SBAExpress & PLP Loan
U.S. Federal Courthouse
501 I St., Suite 12-100
Sacramento, CA 95814-2322
Fax (916) 930-2160

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4 Chase Metrotech Center, 3rd Fl.
Brooklyn, NY 11245
(877) 245-6159
info@colsonservices.com
www.colsonservices.com

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2120 Riverfront Dr., Ste 100
Little Rock, AR 72202
(501) 324-5871
Fax (501) 324-6072
Lrsc.servicing@sba.gov

National Guaranty Purchase
1145 Herndon Parkway
Herndon, VA 20170
(703) 487-9283
Fax (202) 481-4674
loanresolution@sba.gov
7(a) Processing Center

Sacramento (See PLP/Express)
(916) 930-2455
Fax: (916) 230-2180
Or
262 Black Gold Blvd.
Hazard, KY 41701
(606) 436-0801
Fax (606) 435-2400
7aloanprogram@sba.gov
Questions? Call WVDO at
(800) 767-8052 ext. 8